

**REMARKS**

The Office Action dated December 3, 2008, has been received and carefully noted. The above amendments and the following remarks are submitted as a full and complete response thereto.

Claims 1, 3-18, and 20-28 are currently pending in the application, of which Claims 1 and 18 are independent claims. By this Amendment, Claim 1, 18, 20, and 22 have been amended. Support for these amendments can be found in the specification at, for example, page 73, lines 7-11 and page 75, lines 19-24. No new matter has been added.

In the Office Action, Claims 20 and 22 were objected to for informalities. In response, Claims 20 and 22 have been amended. Withdrawal of this objection is respectfully requested.

Claims 1, 3, 7, 10, 13, 18-22, and 25-28 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 4,855,725 to Fernandez et al. ("Fernandez") in view of U.S. Patent No. 5,404,505 to Levinson ("Levinson") and U.S. Patent No. 5,734,719 to Tsevdos et al. ("Tsevdos"). Claims 4, 5, and 23 were rejected under 35 U.S.C. §103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos, in view of what was, according to the Office Action, "extremely well known in the art at the time of the applicant's invention." Claim 6 was rejected under 35 U.S.C. §103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos in view of JP04032497 to Kigami et al. ("Kigami"). Claim 8 was rejected under 35 U.S.C. §103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos in view of U.S. Patent

No. 5,790,935 to Payton ("Payton"). Claim 9 was rejected under 35 U.S.C. §103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos in view of U.S. Patent No. 6,556,561 to Himbeault ("Himbeault"). Claims 11 and 12 were rejected under 35 U.S.C. 103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos in view of U.S. Patent No. 5,903,901 to Kawakura ("Kawakura"). Finally, Claims 14-17, 24, 26, and 28 were rejected under 35 U.S.C. §103(a) as being unpatentable over Fernandez, Levinson, and Tsevdos in view of Payton.

In response the Applicants' previously submitted Amendment, the Office Action alleged that Levinson uses a "tiered" system for scheduling transmission of the 50 gigabytes or so of information included in the basic subscriber service, which is deemed "pre-loading" of the subscriber service. Further, the Office Action alleged that Tsevdos teaches "delivery of first sections without charge and delivery of second sections when an order is made."

To the extent that the rejections remain applicable to the claims currently pending, the Applicants hereby traverse these rejections, as follows.

Regarding Claims 1 and 18, the Applicants respectfully submit that the cited prior art, taken alone or in combination, fails to teach or suggest at least the following combination of features: a main memory located at a local library that stores electronic books for delivery to electronic book viewers of subscribers in the system via at least one of an internet network, a cable telephone network, and a broadcasting network, wherein the electronic books are received from at least one remote provider, and each of the electronic book viewers of the subscribers includes a local memory; first queues

that temporarily store first sections of electronic books; and second queues that temporarily store second sections of electronic books, wherein the electronic books include order-on-demand electronic books and popular electronic books, the order-on-demand electronic books are received from the at least one remote provider upon requests from the subscribers and the popular electronic books are pre-loaded into at least one of the main memory and a memory installed within the viewers of the subscribers, and wherein the first sections of electronic books are delivered to the subscribers without charge and the second sections of electronic books are delivered when an order for the electronic books is made by a subscriber, wherein the first sections of the electronic books stored in the local memory of the electronic book viewer are deleted if the second sections of the electronic books are not requested by the subscriber after a predetermined period of time, and wherein the local memory of the electronic book viewer is updated to fill empty storage space in the local memory with the first sections of electronic books that are likely to be viewed by the subscriber, as recited in amended Claim 1, and similarly recited in amended Claim 18 (Emphasis added).

For at least these reasons, the Applicants submit that Claims 1 and 18, as amended, are allowable over the cited art of record, taken alone or in combination.

Regarding claims 3-17 and 20-28, Applicants respectfully submit that none of Kigami, Payton, Himbeault, and Kawakura cure the deficiencies of Fernandez and Levinson. In addition, at least due to their dependencies from one of allowable amended Claims 1 and 18, these claims are also allowable over the cited art.

**CONCLUSION**

For all of the above reasons, it is respectfully submitted that the claims now pending patentably distinguish the present invention from the cited references. Accordingly, reconsideration and withdrawal of the outstanding rejections and an issuance of a Notice of Allowance are earnestly solicited.

Should the Examiner determine that any further action is necessary to place this application into better form, the Examiner is encouraged to telephone the undersigned representative at the number listed below.

In the event this paper is not considered to be timely filed, Applicants hereby petitions for an appropriate extension of time. The Commissioner is hereby authorized to charge any fee deficiency or credit any overpayment associated with this communication to Deposit Account No. 01-2300, referring to client-matter 026880-00004.

Respectfully submitted,



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